



March 1, 2017

Trevor Douglass, DC, MPH
Oregon Health Authority
Health Systems Division
500 Summer St. NE
Salem, OR 97301

Dear Dr. Douglass,

Since your letter was received in our offices, we have made significant progress which I would like to share/reiterate for you. Please see below:

Finding 1: Exhibit A Part 2 Section 7b (13) of the contract requires KEPRO to collect and report specified data for the 1915(i) quality assurance report. The contract required KEPRO to report this data quarterly. KEPRO failed to provide any quarterly reports pursuant to Exhibit A, Part 2, section 7b (13) of the contract. KEPRO must submit a report that satisfies Exhibit A, Part 2, section 7b (13) of the contract within 14 calendars days of this notice.

Finding 1 Response: (Original response unchanged)

- Quarterly Reports were submitted to you on February 9th and have been posted to the agreed upon IP Switch site. This covers both Q1 and Q2 of the new contract year 1.
- Heidi Leonard's email (February 9, 2017) provides the link for you to access these reports.
- Therefore, KEPRO considers this finding to be in compliance.

Finding 2:

Exhibit A, Part 2, Section 7g, requires KEPRO to develop and provide an ongoing accessible report containing information about fee for service members that are currently in a licensed level of care. The contract identifies 16 different data elements upon which KEPRO must provide information. KEPRO's current cents report fails to report item numbers 3,4,5,6,7,9, 10, 11, 14, 15 and 16. KEPRO must provide the missing data elements within 14 calendar days.

Finding 2 Response:

- All elements have been added to this report and a comprehensive census report was posted to IP Switch on February 27, 2017 by Heidi Leonard.
- Significant staff hours went into the collection of this data and much of it was done manually.
- As discussed in the IQA Meeting of February 27th, there is significant opportunity to mechanize/enhance the processes required to build this census.
- As John DiPalma has reported to me, we have been referred to John Collins and Christopher Coon in order to discuss how reports/data can be pulled in a more collaborative manner to mechanize this census report.

- Our IT team stands ready to build the census with your team to make this as comprehensive and meaningful as possible in the shortest amount of time.
- In the meantime, we have met this deliverable by manually pulling this data based on what was submitted to us by the providers and as the contract states "The information will be accurate to the information provided to the Contractor." Our interpretation of the meaning of this sentence is that we are completely dependent on the provider to provide us accurate data.
- In many cases, especially in the case of Adult Foster Homes, data has not been submitted timely or accurately. The posting on IP Switch of February 27th represents the quality submitted by those providers.

Finding 3: Exhibit A Part 2 Section 4e of the contract as added by Amendment No. 1 requires KEPRO to commence, no later than September 1st, 2016, evaluations for prior authorization (PA) services for the fee-for-service population. KEPRO has failed to commence all of the required PAs. KEPRO must commence all of the required PAs within 14 days of this notice.

Finding 3 Response:

- As discussed in the Care Coordination/Nurse Advice Triage meeting of February 27th, it is your intention to move to the next Utilization Management types to include speech and hearing.
- As stated previously, KEPRO has been prepared and willing to move onto the other UM types pending your approval.
- Our inventory on PT and OT has been negligible and well under the standard of 14 days. In most cases inventory has been closer to one or two days.
- We are excited to move head to speech and hearing and as time permits to move onto the other types of UM as well. We will continue to follow your lead on this.
- Can we get your current planned schedule to train on/release additional service types?

Finding 4: Exhibit A Part 2, Section 4e of the contract as added by amendment No.1 requires KEPRO to connect the Evaluation and Prior Authorization process to the acuity rating for fee-for-service clients served to ensure that services are clinically appropriate and timeline (i.e., coordinated.) To date KEPRO has failed to provide any evidence that it has connected the Evaluation and Prior Authorization process to the acuity rating for fee-for-service clients. KEPRO must provide evidence that it has connected the Evaluation and Prior Authorization process to the acuity rating for fee-for-service clients within 14 calendar days.

- Since your letter, we have provided evidence of this work—i.e. UM work being tied to the care coordination part of our business in the form of reports, logs and workflows.
- Reports have been posted to IP Switch showing how the work done in UM has led to acuity changes on our members.
- In addition, Maggie Klein has provided a copy of her log which tracks any and all referrals given to our Medical Director, who in turn will review the cases, assign them to our field-based nurses and work with the RNs to assign the proper acuity.
- Our workflow showing how this process works has also been posted to IP Switch for your review. We consider this to be a valuable step in our overall care coordination process.

Trevor, our internal reviews of compliance are continuing for the Oregon site. We are loading all contract deliverables into our compliance operating system, called Compliance 360. This process will continue until all deliverables have been added, assessments for compliance are done and evidence of compliance is provided.

Thank you for your continued partnership and for identifying these areas in which you desired a quick remedy. Based on the above, we feel we are now compliant in each of these areas and unless you disagree or would like any clarification in the next five business days, we will consider this matter closed. As always, reach out to me, John or Colette with anything that you require.

We look forward to our ongoing partnership in serving the Medicaid members of Oregon.

Sincerely,



Joseph A. Dougher
President and CEO
KEPRO